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Auth: DDA Memo, 4 Apr 77

Date: 28/03/78 By:

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CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

25X1

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COUNTRY China

DATE:

SUBJECT Economic Information: Tsingtao

DIST. 26 November 1946

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25X1 ORIGIN

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SUPPLEMENT

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Director of Central Intelligence to the
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DISTRIBUTION

STATE	FIA	WAR	NAVY	JUSTICE	R & E	C & D	COM	S

1. Money

	Unit	Exchange Rate (CNC)
		20 Sept.
Gold	Per ounce	223,500/224,500
US Dollar Notes	Per US Dollar	3,200/3,220
		27 Sept.

Gold	Per ounce	223,500/224,500	232,000/237,000
US Dollar Notes	Per US Dollar	3,200/3,220	3,850/4,000

2. Commodity Pricesa. Chemicals

Sulphur, black	Per 60 kgs.	1,000,000	1,150,000
Caustic Soda	Per 300 kgs.	1,000,000	800,000/1,000,000
Indigo, 50%	Per 60 kgs.	3,500,000	4,000,000
Indigo, 60%	Per 60 kgs.	3,000,000	3,400,000

b. Fuel

Gasoline	Per US gallon	1,460	1,460
Coal, lump	Per 1000 kgs.	300,000/60,000	360,000/400,000
Coal, slack	Per 1000 kgs.	200,000/240,000	220,000/260,000

c. Dry Food

Flour	Per bag of 48 lbs.	24,500/26,500	24,500/25,000
Rice	Per 0.5 Kg.	730	710
Millet	Per 0.5 Kg.	10	290
Sugar (Shanghai quality)	Per lb.	1,600/1,800	1,800

d. Fresh Vegetables

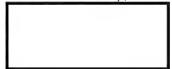
Potatoes	Per lb.	150/180	180/200
Tomatoes	Per lb.	300	200/1,00
White Cabbage	Per lb.	400	700
Green Beans	Per lb.	550	500

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e. Fresh Fruits

Apples, cooking	Per lb.	800	500/300
Apples, table	Per lb.	1200/1,600	1,300
Pears, local	Per lb.	450/600	500
Grapes	Per lb.	1200	700/800
Bananas	Per lb.	2,000	2,000

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f. Dairy Products

Milk	Per quart	500	500
Butter	Per lb.	4,000	4,000
Eggs	Per 10 pcs.	1,500/1,600	1,400/1,600

g. Fresh Meats

Chicken	Per pce of 4 lbs.	8000/9,000	6,000/7,000
Beef	Per lb.	2,000/2,200	2,000/2,200
Pork	Per lb.	2,400	2,200
Fish	Per lb.	2,000/3,500	1,500/3,000

h. Oil

Peanut Oil	Per 50 kgs.	90,000	76,000/77,000
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i. Cloth

Grey Cloth, 1st.	Per 40 yds.	64,500	75,000
2nd.	Per 40 yds.	60,000	70,000
3rd	Per 40 yds.	56,000/58,000	63,500
Blue cloth, Blue, Shade 190	Per 40 yds.	95,000	105,000

Prices

On 24 September, the rate for US dollar notes suddenly rose to CNC \$4,300 and gold followed at CNC \$740,000 per ounce, on rumors that the official rate of exchange would be adjusted again to over CNC 4,000 per US (some sources even said 5,000 per US dollar), and that the Chinese National Government would enforce regulations as from October 1st by which both Chinese and foreigners would have to turn over all their assets in foreign exchange and foreign holdings to the Chinese Government. This has caused a withdrawal of US notes from the market and a transfer of funds to the United States or to Hongkong, thereby resulting in a shortage of US notes.

On 24 September the high rates for the US dollar brought the crossrate for gold down to about US \$58.59 per ounce. On 25 September it went up to about US \$62.00 per ounce.

This sudden rise in the exchange rates on the market for US notes has affected the general market prices very little. The market was even better supplied than in former weeks and prices for native products and even many imported goods are quoted independently of fluctuations of exchange.

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The black market was abundantly supplied and prices were not affected by the rice in exchange. In many cases, even counter offers at reduced prices were successful. Campbeds, underwear, shirts, trousers, full uniforms, shoes, blankets, etc., torchlights, batteries, etc., were offered openly in large quantities. Cigarettes (Lucky Strike, Chesterfield, Philip Morris, and Camel, etc.) could be purchased for CMC 10,000 per carton or about US \$4.50. A few weeks ago prices were 4.50 and even 5.00. There is also a good variety of tinned goods. Preserved butter which was offered the previous week at US \$5.00 to 6.00 per six 1/2 lb. tins or about CMC 17,000 now is sold at CMC 15,000 or approximately US \$3.30 at the prevailing rate for US notes.

	CMC	US \$	
Yeast, dried in 4 lb. tins	20,000	6.20	
" " " 2 (Fleischman)	13,000	4.00	
Spray Dried Whole Milk, per 3 lbs.	7,000	2.20	
Evaporated Milk, per 1/2 ounce can	700	.22	
Dried Whole eggs, per 3 lb. tin	7,000	2.20	
Butter, preserved, per 6 1/2 lb. tin	19,000	6.00	
Pork Sausage Meat, per 2 lb. 2 oz.	4,500	1.40	
Pork Sausage Links, per tin, 2 lb.	4,000	1.25	
Tomato Catsup, per tin	2,500	.75	
Coffee, in bottles, per lb.	3,000	.95	
Coffee, in closed bottles, per lb.	4,000	1.25	
Coffee, in tins (Del Monte) per lb.	4,000	1.40	
DDT, 1 bomb (including container)	5,000	1.55	
Flashlight	6,500	2.00	
Beer, 1 can	700	.22	
Black shoes, Navy, 1 pr.		18.00	20.00

4. Export

Exports continue to be exceedingly small, and with the exception of small shipments of fruits and peanut oil to ports in the south, no other activity is reported. Prices for export goods such as embroidery and hairnets, etc., seem to be too high to be attractive.

5. Import

There is practically no change in the import situation. In former years, Tsingtao received a large portion of foreign imports via Shanghai dealers, hence direct imports from foreign countries were relatively unimportant. The situation existing in Shanghai makes business with this port a poor risk. Exporters in Shanghai can scarcely quote or offer goods to Tsingtao owing to the high and uncertain handling charges in Shanghai, loss through rough handling, and dock pilferage. Importers in Tsingtao also refuse to hazard this risk, which makes an exchange of goods almost impossible and prevents an equalization of prices. In order to overcome these difficulties, more and more Chinese firms are beginning to ship goods to and from Shanghai in small motor-junks which travel between these ports in three or four days. The loading and/or unloading of these small boats can be more easily supervised by the shipper than if he hands his goods over to a large steamship company.

Trade with Manchuria

According to the latest information, the first transaction in soy beans and beancake has been made with Newchwang (Yingkou) (122-13, 40-4) in exchange for cotton textiles. Prices for these goods are said to be only about 1/3 in comparison with local prices.

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